



STATE OF INDIANA
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December 13, 2022

To: The Officials of Yorktown Community Schools
Yorktown Community Schools
2311 S Broadway Street
Yorktown, IN 47396

This report is supplemental to the audit report of Yorktown Community Schools (the School Corporation), for the period July 1, 2019 to June 30, 2021. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Yorktown Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 through 4.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
YORKTOWN COMMUNITY SCHOOLS
Delaware County, Indiana
July 1, 2019 to June 30, 2021

YORKTOWN COMMUNITY SCHOOLS

Delaware County, Indiana
July 1, 2019 to June 30, 2021

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YORKTOWN COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS
July 1, 2019 to June 30, 2021

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------|---------------------|----------------------|
| Treasurer | Kara Schoch | 07-01-19 to 06-30-21 |
| Superintendent of Schools | Dr. Gregory Hinshaw | 07-01-19 to 06-30-21 |
| President of the School Board | Ryan Kelly | 07-01-19 to 06-30-21 |

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Yorktown Community Schools

We have examined the Yorktown Community Schools ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2019 to June 30, 2021. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2019 to June 30, 2021, as described in items 2021-001 through 2021-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2019 to June 30, 2021.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
November 22, 2022

YORKTOWN COMMUNITY SCHOOLS
 SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
 July 1, 2019 to June 30, 2021

FINDING 2021-001: OVERDRAWN CASH BALANCES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, “The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit.”

Condition: During testing of cash fund balances, we noted the following clearing funds that were not cost-reimbursement grant based with a cash balance below zero as of June 30, 2020 or June 30, 2021:

| <u>Fund</u> | <u>Amount Overdrawn June 30, 2020</u> | <u>Amount Overdrawn June 30, 2021</u> |
|----------------------|---|---|
| Teacher Retirement | \$ 16,559 | \$ 16,559 |
| Group Life Insurance | 2,725 | 2,507 |
| Garnishments | 525 | - |
| AFLAC | 30,361 | 33,655 |
| ALFAC – ADM Fees | 2,035 | 2,035 |
| AFLAC – Medical FSA | 6,775 | 6,775 |

FINDING 2021-002: PREPAID SCHOOL LUNCH CLEARING FUND (8400) RECONCILIATION

The same finding also appeared in prior Report B54227.

Criteria: When a student puts money into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while money is in the student’s individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to Fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from Fund 8400 using expenditure account 31900 Other Food Services and receipt this into Fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of Fund 8400 be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019).

Condition: The School Corporation's Prepaid Food fund (fund number 8400) balance at June 30, 2020, and June 30, 2021, did not reconcile to the subsidiary records of students accounts. The Prepaid Food Fund was greater than the subsidiary records of student accounts by \$2,058 and \$859, respectively.

YORKTOWN COMMUNITY SCHOOLS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2019 to June 30, 2021

FINDING 2021-003: TIMELY GATEWAY UPLOADS

Criteria: The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

Condition: During testing, we noted the following bank reconciliations were prepared in a timely manner, but not uploaded to Gateway within 45 days after month-end as required.

| Month | Submission Date |
|----------------|----------------------------|
| July 2020 | 10/15/2020 |
| August 2020 | 10/21/2020 |
| September 2020 | 12/14/2020 |
| November 2019 | 1/17/2020 |
| December 2019 | 2/27/2020 |
| December 2020 | 2/19/2021 |
| April 2021 | 7/13/2021 |
| June 2020 | 10/15/2020 |

YORKTOWN COMMUNITY SCHOOLS
EXIT CONFERENCE
July 1, 2019 to June 30, 2021

The contents of this report were discussed on November 22, 2022 with Kara Schoch, Treasurer, Dr. Gregory Hinshaw, Superintendent of Schools and Ryan Kelly, President of the School Board.